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21 August 1959

Approved For Release 2000/08/22 : CIA-RDP62-00328A000200170003-4

MEMORANDUM TO: Chief, Intelligence Information Staff, ORR
ATTENTION : 25X1A9a
THROUGH : Chief, Services Division
FROM : Chief, Trade Controls Branch
SUBJECT : Contribution to the OCI Requirement List (PRL) for the Far East, 1 October 1959 - 31 January 1960

A. Communist China

Economic

1. In the past several years Communist China has developed large deposits of borax and in 1959 began exporting substantial quantities to other Bloc countries. Poland is the only Soviet Bloc country now authorized to obtain boron products from the Free World under COCOM policy. In order to assess import requirements of the Soviet Bloc, particularly of Poland, for borax, it would be helpful to obtain the following information. (S)

a. How much is Communist China exporting and to what countries? Provide detailed data on such shipments for 1958 and 1959, including quantities, grades of products, and prices. (S)

2. Recent reporting indicates that the Chinese are seeking to purchase from Western European sources various advanced types of boron compounds with missile fuel application. (C)

a. Identify Chinese Communist purchasers, end-users, and any indication of the uses to be made of these commodities in Communist China. (C)

b. Identify possible Western European suppliers of these boron compounds to Communist China, the quantities involved, methods and dates of proposed shipments (including techniques for evading Free World export controls). (C)

B. Hong Kong and Macao

Economic

1. Agencia Commercial Progresso (ACP) of Hong Kong and Macao (owner: one of the most consistent suppliers of embargoed items to Communist China, Stanley HO), has recently been denied US licensing privileges. The majority of ACP's imports are known to reach Communist China through such means as: resale to Communist Chinese purchasing agencies or

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other firms that immediately resell to China; bribery, smuggling and falsification of documents. Evidence exists indicating that the firm will probably continue circumventing US and COCOM export controls by utilizing "cover" firms or other subterfuges to obtain strategic commodities for Communist China. (C)

a. Provide information on Agencia Commercial Progressao's (ACP) procurement of strategic commodities from the West. Identify contacts or "cover" firms and/or other methods utilized by the firm to obtain such imports. (C)

b. Report evidences of ACP's transshipment of these commodities to Communist China, including origin, quantities and description of the goods, other firms or individuals involved in the transactions, financial and shipping arrangements, routing, and documentation utilized. (C)

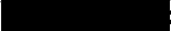
c. Provide information on firms, other than ACP, which are owned, controlled, or directed by Stanley EO or which operate as affiliates or subsidiaries of ACP. (C)

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